24 March 2021

ARUMA TO DRILL MT DEANS LITHIUM PROJECT

Highlights

- **Mt Deans is highly prospective for lithium minerals, tantalum and rare earth elements.**
- **Rock chip sampling program results;**
  - **Lithium oxide (Li_2O) grades up to 2.1%;**
  - **Tantalum pentoxide (Ta_2O_5) up to 556 ppm;**
- **Project is located in Western Australia's 'lithium corridor' in the Eastern Goldfields Terrane of the Yilgarn Craton**
- **Project is interpreted to have similar geology as the significant nearby Mt Marion, Bald Hill and Buldania Lithium Projects**
- **Drilling planned to commence in June quarter**

Aruma Resources Limited (ASX: AAJ) (Aruma or the Company) is pleased to announce plans for its maiden drilling program at the 100%-owned Mt Deans Lithium Project, near Norseman in south-east Western Australia.

The Mt Deans Project is highly prospective for lithium minerals, as wells as tantalum and rare earth element (REE) minerals. Previous exploration on the Project has identified swarm pegmatites over a strike length of greater than 1 kilometre (Figure 1).

The Project is interpreted to sit within the same host rocks and structures as the significant nearby Mt Marion, Bald Hill and Buldania Lithium Projects. The drilling is targeted at an interpreted "Cauldron" type anomaly which is at the confluence of the east and west dipping pegmatite limbs.

Aruma plans to undertake the first phase of drilling at the Mt Deans Project in the June quarter 2021. In preparation for drilling, the Company has submitted a Program of Works (PoW) with the Western Australian Department of Mines, Industry Regulation and Safety (DMRIS) for the initial 12-hole RC (Reverse Circulation) drilling program. A Conservation Management Plan (CMP) has been submitted and approved. Site access to the drill targets already exists on old tracks, and drilling will commence upon approval of the PoW.

Aruma plans to investigate the potential for the Project to host direct shipping lithium ores, given its location adjacent to the Coolgardie-Esperance Highway and rail infrastructure which provides direct access to the Port of Esperance rail hub – and the potential for transport and infrastructure advantages.

ASX: AAJ

Capital Structure
106M Shares on Issue
22M Options on issue
CASH $3M

Board of Directors
Non-Executive Chairman
Paul Boyatzis
Managing Director
Peter Schwann
Non-Executive Director
Mark Elliott
Company Secretary
Phillip MacLeod

Gold Projects -1,565km²
Norseman
SCOTIA SOUTH - 202km²
Pilbara
MELROSE - 359km²
SALTWATER - 646km²
NSW Lachlan Fold Belt
CAPITAL - 358km²
Li Ta Project
Norseman
MT DEANS - 1.4km²

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The Mt Deans Project encompasses Prospecting Licence P63/2063 and covers an area of 1.44km^2 in the Mt Deans pegmatite field, which is part of the Eastern Goldfields Terrane of the Yilgarn Craton. The Project is located approximately 170 kilometres south of the major regional centre of Kalgoorlie, and approximately 10 kilometres south of the mining town of Norseman (Figure 1).

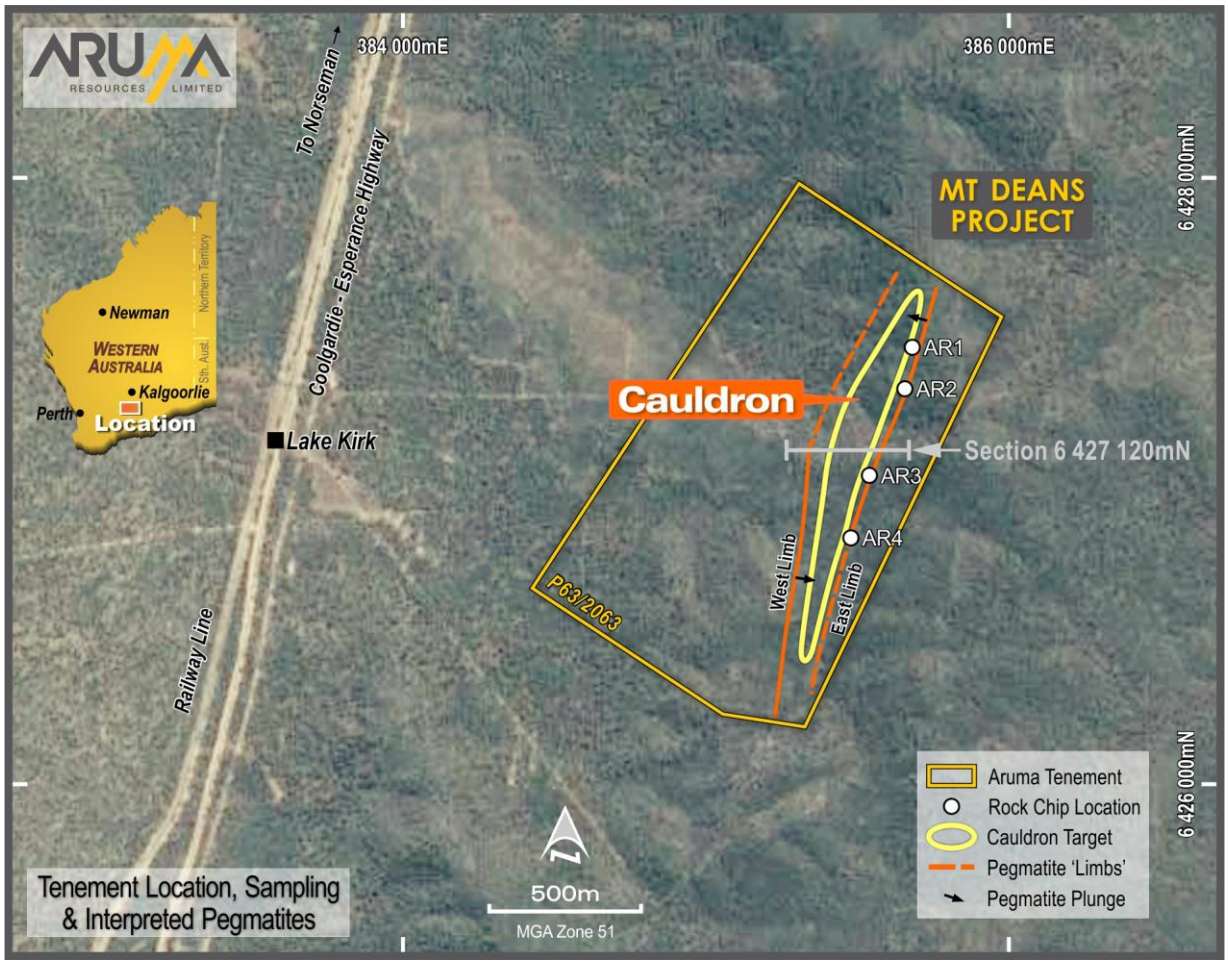

Figure 1: Mt Deans Lithium-Tantalite Project area, with pegmatites and projected cauldron

Details of Proposed Drill Program

The Mount Deans pegmatite field covers an area of 6 kilometres north-to-south and 4 kilometres in extension east-to-west, and comprises multiple individual pegmatite sheets and lenses. It is Archaean in age and hosted in the north-south trending Dundas Hill greenstone belt.

Aruma plans to drill an initial 12 RC holes in the first phase of drilling at the Mt Deans Project, to a maximum hole depth of 200 metres and with drill holes spaced approximately 120 metres apart, to intersect the possible cauldron or pegmatite chamber (Figure 2).

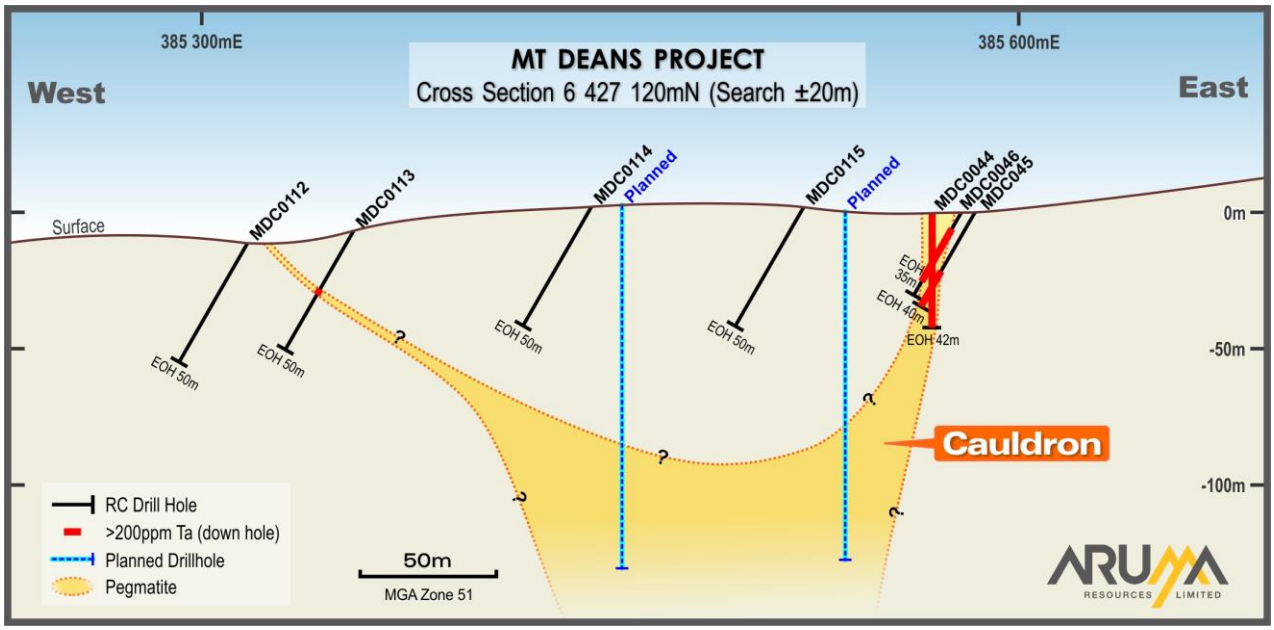

Figure 2: Mt Deans Lithium-Tantalite drill section with pegmatites and projected cauldron with the planned holes (*From Tantalum Australia Operations Pty Ltd Annual Report 2002 (A65809)).*

The geology at Mt Deans presents as potentially analogous to that of Liontown Resources' (ASX: LTR) world-class Kathleen Valley Lithium-Tantalum Project in the Mid-West region of WA, where the lithium mineralisation is hosted within spodumene-bearing pegmatites.

Aruma's first phase of drilling at Mt Deans will target the junction of known pegmatites within the Project area as the possible cauldron target. The drilling is designed to test for spodumene and other lithium minerals, plus tantalum, tin and rare earth minerals.

Project Background and Opportunity

The Mt Deans Project sits within WA's lithium corridor in south-east WA, which hosts multiple significant hard-rock lithium projects. Previous work at the Project area from 2002, undertaken by Tantalum Australia Ops Pty Ltd, identified swarm pegmatites within the lease over a 1.5km strike length.

Sample	Type	Li Mineral	Zone	Easting	Northing
AR001	Rock	Zinnwaldite	51 H	385,687	6,427,446
AR002	Rock	Lepidolite	51 H	385,663	6,427,307
AR003	Rock	Lepidolite	51 H	385,541	6,427,026
AR004	Rock	Lepidolite	51 H	385,480	6,426,823

Table 1: Locations of Aruma's rock samples

In addition, Aruma conducted a limited rock chip sampling program which delivered exceptionally high lithium and tantalum results, with lithium (lithium oxide – Li_2O) grades of up to 2.1% and tantalum (tantalum pentoxide - Ta_2O_5) of up to 556ppm in sample AR003. These compare favourably with similar deposits. Strongly anomalous rare earth results were also reported from the rock chip sampling program, as detailed in Tables 2 and 3.

In the formation of pegmatites from their associated granite, proximal pegmatites are the least evolved and poorly mineralised, containing only the general rock-forming minerals. More distal and evolved pegmatites may include beryl and columbite; tantalite and lithium aluminosilicates; and pollucite in the most evolved pegmatites. The lithium-rich or spodumene-dominated pegmatites may occur beneath the micaceous lithium minerals lepidolite-zinnwaldite zones seen at Mt Deans.

	Cs	Li	Ta	Sn	Rb	Nb	Tl	Y	Ga
UNITS	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
DETECTION	0.05	1	0.01	0.1	0.5	0.05	0.02	0.05	0.05
METHOD	4A/MS	FP1/MS	4A/MS	4A/MS	FP1/MS	4A/MS	4A/MS	4A/MS	4A/MS
AR001	473.0	3,683	182	100	6,059	29	46	3	67
AR002	706.3	5,927	152	137	8,597	38	79	34	80
AR003	1,175.7	9,773	455	201	13,995	76	118	14	118
AR004	681.4	5,965	112	111	8,021	31	66	4	76
Average	759	6,337	225	137	9,168	44	77	14	85

Table 2: Assays results of Aruma's rock samples (Assay Report 1560.0/1611047)

	Cs_2O	Li_20	Ta_2O_5	SnO_2	Rb_2O	Nb_2O_5	Tl_2O_3	Y_2O_3	Ga_2O_3
UNITS	%	%	ppm	ppm	%	ppm	ppm	ppm	ppm
Factor	*1.1*	*2.2*	*1.2*	*1.3*	*1.1*	*1.2*	*1.1*	*1.3*	*1.3*
AR001	0.1	0.8	222.7	127.0	0.7	34.2	51.0	3.3	90.2
AR002	0.1	1.3	185.1	173.7	0.9	44.7	87.9	43.5	107.5
AR003	0.1	2.1	555.9	255.4	1.5	89.1	132.3	18.4	158.8
AR004	0.1	1.3	136.5	140.3	0.9	36.2	73.9	5.5	102.4
Average	0.1	1.4	275.0	174.1	1.0	51.1	86.3	17.7	114.7

Table 3: Assays from Mt Deans rock samples results, with assays converted to oxide values

The Mt Deans area has a swarm of 71 recognised pegmatites covering 4.5 by 1.5 kilometres trending north north-west (as discussed in Amit Eliyahu's University of Western Australia thesis on the Mt Deans pegmatites). The pegmatites range from 500 to 2,000 metres in length and 0.3-7.5 metres thick, with a few 20 metres thick.

The pegmatites have an upper portion quartz-poor, feldspar-rich marginal layer, which is where most of the cassiterite and tantalum is found. The pegmatites in the project area are considered later (deeper) and are suggested to be closer to a main 'cauldron' or 'chamber' (Figure 2) that may host spodumene-rich material, potentially suitable for direct shipping.

A prime example of this style of deposit is Liontown Resources' (ASX: LTR) Buldania and Kathleen Valley lithium deposits, where finger-like thin, steep pegmatites coalesce into a thick spodumene zone at shallow depth.

Aruma managing director Peter Schwann said;
"Aruma is of the view that the previous lithium results plus the high-grade tantalum and rare earth elements results, together with the infrastructure advantages afforded by the Project's location make Mt Deans a highly exciting lithium exploration opportunity. We look forward to commencing our first pass drilling program at the Project as soon as the PoW is granted."

Authorised for release by Peter Schwann, Managing Director.

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Competent Person's Statement

The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Peter Schwann who is a Fellow of the AIG. Mr Schwann is Managing Director and a full-time employee of the Company. Mr Schwann has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve'. Mr Schwann consents to the inclusion in the release of the matters based on his information in the form and context in which it appears. All exploration results reported have previously been released to ASX and are available to be viewed on the Company website www.arumaresources.com.au .The historical results used in this report have been named and the A-Report number is listed from the WAMEX open file data available in Tengraph Web from the DMIRS. The Company confirms it is not aware of any new information that materially affects the information included in the original announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements.

Forward Looking Statement

Certain statements contained in this document constitute forward looking statements. Such forward-looking statements are based on a number of estimates and assumptions made by the Company and its consultants in light of experience, current conditions and expectations of future developments which the Company believes are appropriate in the current circumstances. These estimates and assumptions while considered reasonable by the Company are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, achievements and performance of the Company to be materially different from the future results and achievements expressed or implied by such forward-looking statements. Forward looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "could", "nominal", "conceptual" and similar expressions. There can be no assurance that Aruma plans to develop exploration projects that will proceed with the current expectations. There can be no assurance that Aruma will be able to conform the presence of Mineral Resources or Ore Reserves, that any mineralisation will prove to be economic and will be successfully developed on any of Aruma's mineral properties. Investors are cautioned that forward looking information is no guarantee of future performance and accordingly, investors are cautioned not to place undue reliance on these forward-looking statements.

Section 1 Sampling Techniques and Data

The following data is in relation to Historic Drill Holes in the announcement and the individual holes are listed with the relative Minedex A Report number.

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• RC drill samples are taken from various depth holes and sampled in 1m intervals • Samples from depth down hole. • Samples were riffle split for the 1m samples. • A0865809 Report "Mt Deans Project P63/740, 741, 758, 945, 946, 947,948, 949, 950, 1074 and 1075, Annual Report For the period ending 13th September 2002, D Brittliffe, December 2002. • 11 RC Holes were drilled on historic lease P63/1074. • Mineralised intercepts were sampled at 1 metre intervals and sent to Ultratrace Pty Ltd, Canning Vale, Perth W.A. for XRF analysis for tantalum, tin and niobium. A list showing assay locations and results is included in Appendix I (MTDAR02WADG1.csv). Sample preparation and analytical techniques are detailed in Appendix III
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Drilling was done with RC rigs using industry standard sampling methods.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The best endeavors were used to ensure sample recovery and splitting gave the best quality possible.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate*	• All samples were logged geologically and qualitatively.

Criteria	JORC Code explanation	Commentary
	Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All samples rotary split and noted wet or dry. Where sample quality precluded riffle splitting, the material was tube sampled. • The sample size satisfied the Gy size requirements.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Laboratory standards and methods are industry standards. • Duplicate samples were not taken
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All significant intersections were inspected by at least two competent and relevant geologists. • No holes were twinned as this is not required in early exploration.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Initial sampling was by GPS. Australian Standard licenced surveyors were used to position the drill holes where required. • All locations are GDA94
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The Aruma rock samples are from site inspection of costeans on the property.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• All holes drilled as close to tangential as possible with rig limit at -60°.
Sample security	• *The measures taken to ensure sample security.*	• All samples logged and numbered on site and checked as drilled, as logged, as loaded to Laboratory and as submitted.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits were listed in the reports

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• All tenements and issues required are detailed in the reports. • All work done under PoWs.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Exploration done by other parties</td><td>

Acknowledgment and appraisal of exploration by other parties.
Drill Hole details of intersections in Figure 2 are below

<table>
<tr><th>Hole</th><th>From</th><th>To</th><th>Int.</th><th>Ta_2O_5 ppm</th><th>Easting</th><th>Northing</th><th>RL</th><th>Dip</th><th>Az.</th><th>EOH</th></tr>
<tr><td>MDC0044</td><td>0</td><td>30</td><td>30</td><td>215</td><td>385,568</td><td>6,427,103</td><td>357</td><td>-90</td><td>0</td><td>42</td></tr>
<tr><td>MDC0044</td><td>30</td><td>42</td><td>12</td><td>not sampled</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>MDC0045</td><td>14</td><td>16</td><td>2</td><td>not sampled</td><td>385,584</td><td>6,427,104</td><td>358</td><td>-60</td><td>270</td><td>40</td></tr>
<tr><td>MDC0045</td><td>24</td><td>40</td><td>16</td><td>not sampled</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>MDC0046</td><td>10</td><td>30</td><td>20</td><td>179</td><td>385,579</td><td>6,427,097</td><td>358</td><td>-60</td><td>270</td><td>35</td></tr>
<tr><td>MDC0113</td><td>25</td><td>27</td><td>2</td><td>265</td><td>385,356</td><td>6,427,089</td><td>380</td><td>-60</td><td>270</td><td>50</td></tr>
</table>
</td><td>

The reports are acknowledged in the announcement and is numbered as an A report in Minedex

</td></tr>
<tr><td>Geology</td><td>

Deposit type, geological setting and style of mineralisation.

</td><td>

The emplacement of the Mt Deans pegmatites is associated with the intrusion of the late stage Dundas Granite.

</td></tr>
<tr><td>Drill hole Information</td><td>

A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:

easting and northing of the drill hole collar
elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
dip and azimuth of the hole
down hole length and interception depth
hole length.

If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.

</td><td>

Information from holes quoted with Relevant Minedex A65809 Report Number shown above.

</td></tr>
<tr><td>Data aggregation methods</td><td>

In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.
Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.
The assumptions used for any reporting of metal equivalent values

</td><td>

Drill holes are oriented to get intersections as close to true widths as possible.
Metal equivalents never used.

</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Sections in the AAJ announcement are from the quoted A65809 report.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• As done
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Null results are not reported and minimum intersection grades are reported and detailed in each table.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Historic mapping, exploration and genesis model are detailed.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• As detailed in the report.